

REMARKS

This responds to the Office Action mailed on May 1, 2007.

Claims 18, 22, 24-26, 29-30, 32-35, 39, 43-44 and 48 are amended, claims 23, 31, 40 and 49 are canceled. Claims 18-22, 24-30, 32-39, 41-48 and 50-52 are now pending in this application.

Information Disclosure Statement

The Applicants submitted an Information Disclosure Statement ("IDS") on February 5, 2003. The Examiner partially initialed the Form 1449 that accompanied this IDS. The Applicants enclose herewith a copy of the initialed Form 1449 and copies of the documents for the examiner's reference. The Applicants request that the Examiner considers the documents and returns a completely initialed copy of the Form 1449 with the next USPTO communication. The Applicants submitted Supplemental Information Disclosure Statements and a 1449 Forms on November 26, 2003, September 3, 2003 and February 25, 2003. The Applicants respectfully request that initialed copies of the 1449 Forms be returned to the Applicants' Representatives to indicate that the cited references have been considered by the Examiner.

§101 Rejection of the Claims

Claims 26-34 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Applicants have amended claim 26. The Applicants respectfully submit that amended claims 26-34 overcome the § 101 rejections and request that the rejections be withdrawn.

§102 Rejection of the Claims

Claims 18-19, 21-22, 24, 26-27, 29-30, 32-33, 35-36, 38-39, 41-42, 44-45, 47-48, and 50-51 were rejected under 35 U.S.C. § 102(e) for anticipation by Woolston (U.S. Patent No. 5,845,265). The Applicants respectfully disagree with this rejection for the reasons set out below.

Concerning Independent Claims 18, 26, 35, and 44

The Applicants believe that amended claim 18, as a representative of claims 26, 35 and 44, can best be used to show why Woolston as applied fails to anticipate amended claims 18, 26, 35 and 44.

Among other limitations, amended claim 18 requires the following:

a bid validation means for examining and validating a characteristic of the bid during and prior to a close of the auction, wherein the characteristic is a bid format

As support for the § 102 rejection, the Office Action refers to the following:

The consignment node then checks whether the highest bid received is greater than the reserve price, if appropriate. The consignment node may then post sold! and the sell price to all participant terminals and proceed to post the next item for auction. Again a successful purchaser may elect to direct delivery of the good or post the good on the electronic market at a new participant determined offer price.

(Woolston, column 6, lines 37-44)

The following is a more comprehensive description of Woolston's reserve price:

. After the typical auction closing of going once . . . twice . . . three times the auction is closed 266. The consignment node auction program then compares the highest bid received with the good's reserve price 268 to determine whether to transact the sale. If the highest bid is greater than the reserve price the consignment node auction process posts sold! for xxx amount to the auction participants and calls the transfer ownership subroutine 270, discussed further below, and transfers the ownership of the good. If the highest bid is less than the reserve price the consignment node auction process announces no sale! 272 to the auction participants.

The Applicants cannot find in the cited portions of Woolston any disclosure of “a bid validation means for examining and validating a characteristic of the bid during and prior to a close of the auction, wherein the characteristic is a bid format” as currently recited in claim 18 and similarly recited in claims 26, 35, and 44. Instead, the cited portions of Woolston appear to merely compare a received bid with a reserve price. There is no mention of validation of the received bid format.

Accordingly, unlike the claimed “examining and validating a characteristic of the bid...wherein the characteristic is a bid format,” Woolston only “compares the highest bid received with the good’s reserve price to determine whether to transact the sale.” At least for the reason that the “highest bid” of Woolston does not describe a required “bid format,” Woolston as presented can not anticipate amended claim 18.

Further, Woolston fails to describe “examining and validating a characteristic of the bid during and prior to a close of the auction” because Woolston’s comparison occurs “[a]fter the typical auction closing of going once...twice...three times the auction is closed.”

Thus, because all elements currently recited or incorporated in the present claims are not found in the cited portions of Woolston, the Applicants respectfully submit that no *prima facie* case of anticipation presently exists with respect to these claims. Accordingly, the Applicants respectfully request withdrawal of all bases of rejection of these claims.

Concerning Claims 21, 29, 38, and 47

The Applicants cannot find in the cited portions of Woolston any disclosure of “wherein the bid receiving means receives the bid from a bid form” as presently recited in claim 21, and similarly recited in claims 29, 38, and 47. The cited Figures 5 and 6 of Woolston appear to be addressing how bids are posted or processed, but they do not disclose or describe a “bid form.” In addition, Figure 7 appears to describe the post-purchase activity of payment and transferring ownership or property and Figure 8 appears to describe displaying items contained in a market category to a user.

Thus, because all elements currently recited or incorporated in the present claims are not found in the cited portions of Woolston, the Applicants respectfully submit that no *prima facie*

case of anticipation presently exists with respect to these claims. Accordingly, the Applicants respectfully request withdrawal of all bases of rejection of these claims.

Concerning remaining dependent claims

The remaining dependent claims depend on independent claims 18, 26, 35, and 44 respectively, and accordingly incorporate the limitations of each of these independent claims. These dependent claims are accordingly believed to be patentable for the reasons stated herein. Thus, the Applicants respectfully request withdrawal of this basis of rejection for these claims.

§103 Rejection of the Claims

Claims 25, 34, 43 and 52 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Woolston (U.S. Patent No. 5,845,265). The Applicants respectfully traverse this rejection.

The Office Action took official notice of the use of proxy bidding. The Applicants respectfully traverse this official notice and request the Examiner to provide a reference that describes such an element. Absent a reference, it appears that the Examiner is using personal knowledge, so the Examiner is respectfully requested to submit an affidavit as required by 37 C.F.R. § 1.104(d)(2).

Moreover, the Applicants respectfully assert that the motivation provided by the Office Action is incompatible with Woolston's operation. In particular, the Office Action stated that "[o]ne would be motivated to [include proxy bidding] in order [to] allow [a] participant [to] set maximum bids without monitoring the auction." Office Action of May 1, 2007, at p. 5. However, as described in Woolston at column 6, auction participants are expected to be in an interactive environment (e.g., a virtual live-auction). Woolston at col. 6, lines 10-20. The Applicants respectfully assert that a proxy bidding system would be incompatible with this configuration. In fact, it appears that the Office Action is merely using inappropriate hindsight reconstruction based on the Applicants own disclosure in an attempt to combine proxy bidding into Woolston. A factfinder should be aware of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning. *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1742 (2007) (citing *Graham v. John Deere Co of Kansas City*, 383, U.S. 1, 36)). The teaching or suggestion to make the claimed combination and the reasonable expectation of

success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991); MPEP § 2143. The Examiner must avoid hindsight. *In re Bond*, 910 F.2d 831, 834, 15 USPQ2d 1566, 1568 (Fed. Cir. 1990).

In addition, claims 25, 34, 43 and 52 depend from independent claims 18, 26, 35, and 44, either directly or indirectly, and are therefore believed allowable for the reasons presented above. The Applicants consider the additional elements of claims 25, 34, 43 and 52 to further distinguish over the cited references, and the Applicants reserve the right to present remarks to this effect at a later date. In sum, the Applicants respectfully request withdrawal of this rejection of these claims.

Claims 20, 28, 37 and 46 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Woolston (U.S. Patent No. 5,845,265) in view of Huberman (U.S. Patent No. 5,826,244). The Applicants respectfully traverse this rejection.

Claims 20, 28, 37 and 46 depend from independent claims 18, 26, 35, and 44, either directly or indirectly, and are therefore believed allowable for the reasons presented above. The Applicants consider the additional elements of claims 20, 28, 37 and 46 to further distinguish over the cited references, and the Applicants reserve the right to present remarks to this effect at a later date. In sum, the Applicants respectfully request withdrawal of this rejection of these claims.

Claims 23, 31, 40 and 49 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Woolston (U.S. Patent No. 5,845,265) in view of Micali (U.S. Patent No. 5,553,145). The Applicants respectfully traverse this rejection.

Claims 23, 31, 40 and 49 depend from independent claims 18, 26, 35, and 44, either directly or indirectly, and are therefore believed allowable for the reasons presented above. The Applicants consider the additional elements of claims 23, 31, 40 and 49 to further distinguish over the cited references, and the Applicants reserve the right to present remarks to this effect at a later date. In sum, the Applicants respectfully request withdrawal of this rejection of these claims.

RESERVATION OF RIGHTS

In the interest of clarity and brevity, the Applicants may not have addressed every assertion made in the Office Action. The Applicants' silence regarding any such assertion does not constitute any admission or acquiescence. The Applicants reserve all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. The Applicants do not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, the Applicants timely object to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. The Applicants reserve all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

CONCLUSION

The Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the Applicants' attorney at 408-278-4042 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,
ALAN S. FISHER ET AL.
By their Representatives,

SCHWEGMAN, LUNDBERG, & WOESSNER, P.A.
P.O. Box 2938
Minneapolis, MN 55402
408-278-4042

Date 10/24/07

By /  /

Andre L. Marais
Reg. No. 48,095

CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 24 day of October 2007.

Name

Peter Robinson

Signature

